



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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June 9, 2005

IN REPLY PLEASE

REFER TO FILE: PD-5

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST TO AUTHORIZE THE ACQUISITION OF
TWO BUSES FOR THE SOUTH WHITTIER SHUTTLE SERVICE
SUPERVISORIAL DISTRICTS 1 AND 4
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve Public Works' request and authorize the Purchasing Agent to proceed with the acquisition of two buses for the South Whittier Shuttle Service, budgeted at \$300,000 each (\$600,000 total) in Public Works' Fiscal Year 2004-05 Transit Enterprise Fund Fixed Asset Equipment appropriation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This request is to comply with the County Equipment Policy requiring your Board's approval prior to a department's purchasing and/or financing of equipment with a unit cost of \$250,000 or more. Therefore, Public Works is requesting approval to purchase two 25- to 30-passenger Americans with Disabilities-compliant, alternatively fueled buses for the new South Whittier Shuttle Service.

The Request for Proposals for the new South Whittier Shuttle Service was released on May 3, 2005, with responses due by 5:30 p.m. on Monday, June 20, 2005. The scope of work allows for the recipient of the awarded project to use their own vehicles until the County procures these two vehicles.

In August 2003, the Internal Services Department issued a purchase order to Creative Bus Sales of Chino, California, for seven alternatively fueled, 30-foot low floor buses. The seven buses have been delivered and placed in service. As allowed by Creative Bus Sales' August 2003 bid proposal, they extended the same terms, conditions, and pricing for the two buses for the new South Whittier Shuttle Service on March 28, 2005. The proposed price is \$252,000, plus tax, for a total of \$272,790 per bus.

By not accepting Creative Bus Sales' offer extending the price, terms, and conditions from their previous bid, we anticipate that material costs from a new bid will increase the price per bus to more than the \$300,000 budgeted cost per bus. Within the past year, the City of Los Angeles Department of Transportation exercised its last option to purchase five similar buses for its DASH service at a cost of more than \$314,000. The City of Los Angeles Department of Transportation recently opened bids for 100 similar buses to be delivered over the coming five years. The lowest bid received is close to the pricing for the five optional buses and significantly higher than the pricing offered to Public Works by Creative Bus Sales.

Implementation of Strategic Plan Goals

This action is consistent with the County's Strategic Plan Goals of Organizational Effectiveness and Fiscal Responsibility and fully supports the strategy to strengthen the County's fiscal capacity by pursuing an option to accelerate delivery of these buses while minimizing the County's capital costs for transit services.

FISCAL IMPACT/FINANCING

There is \$150,000 included in the First Supervisorial District and \$450,000 in the Fourth Supervisorial District's portions of the Fiscal Year 2004-05 Transit Enterprise Fund Budget for the acquisition of these two buses. There is no impact to net County costs as a result of this purchase.

Congresswoman Linda T. Sanchez included the vehicle grant funding in a 2003 Federal transportation appropriation bill. The vehicles will be used to improve transit services in the South Whittier area. Congresswoman Sanchez's action will make the purchase of these buses eligible for up to \$390,000 in grant-funded reimbursement from the Federal Transit Administration. In March 2005, Public Works received notice from the Southern California Association of Governments that the acquisition of the two vehicles for the new South Whittier Shuttle Service had been included in the amended Federal Transportation Improvement Program. The grant acceptance letter and Grant Management Statement will be submitted at a later date.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Los Angeles County Metropolitan Transportation Authority has reviewed and approved the proposed bus acquisition for the South Whittier Shuttle Service as an eligible expenditure of Proposition A Local Return Transit funds.

On October 16, 2001, your Board adopted a policy requiring departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisitions to purchasing. This action conforms with and fulfills the Board's policy.

This Board letter has been reviewed and approved as to form by County Counsel. The Purchasing Agent has also reviewed and approved this Board letter.

ENVIRONMENTAL DOCUMENTATION

This action does not constitute a project as defined by Section 15378 of the State of California's Environmental Quality Act guidelines.

CONTRACTING PROCESS

This is a commodity purchase under the statutory authority of the Purchasing Agent.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

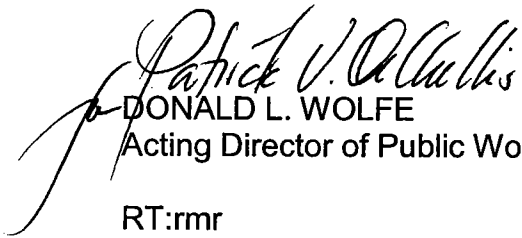
The approval of this request will enable Public Works to provide the new South Whittier Shuttle Service in a more efficient and effective manner.

The Honorable Board of Supervisors
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CONCLUSION

Please return three approved copies of this letter to Public Works and one copy to Internal Services Department.

Respectfully submitted,


DONALD L. WOLFE
Acting Director of Public Works

RT:rmr

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cc: Chief Administrative Office
County Counsel
Internal Services Department (Joe Sandoval)